

Minnesota Farm Bill Water Projects Roll Out
August 18, 2008

Thomas Dorr
Under Secretary for Rural Development

Thank you, Randy, for that very generous introduction. It's a pleasure to be with you.

It's good to be back in the Midwest, and have a chance to enjoy the true abundance of rural living, really fresh tomatoes, sweet corn right from the field, and the promise of a bumper harvest. It is a rewarding season for those of us who call rural America "home".

This is a good year for American agriculture. As someone who has spent much of my life working as a farmer in Iowa, let me tell you that we're seeing some very good times in the farm economy. Exports are projected to reach a record level again this year, and net cash farm income is expected to reach \$96 billion, driven by strong prices for agriculture commodity crops. Of course, there are challenges, including the recent floods and higher costs for fuel and fertilizer, but the rural economy is on an upswing. It's a great time to be in agriculture.

As you all know, after years of work, hearings and forums in every state, we have a new farm bill.

While the Administration and Congress were pretty far apart on some issues during the legislative process, the debate is over, the bill is now law, and we will do all we can to implement as much of it as we can by the end of this administration.

We're making good progress.

Friday, Agriculture Secretary Schafer announced the award of \$547 million in loans and grants to provide safe drinking water and improve sanitation in 46 states and one territory (Puerto Rico). A majority of that funding results directly from the 2008 Farm Bill.

Minnesota will receive over \$14 million in farm bill loan and grant funds for water quality improvement projects.

That includes funds for two projects in Iowa Lakes, and individual projects in Hoffman, Ogilvie and Richmond. These projects will improve water quality for about 4,300 state residents.

Also, we've announced the first guaranteed USDA water and wastewater loan in Minnesota. The Lower Sioux American Indian Community will receive a \$4.6 million loan, which includes a \$1.2 million loan guarantee. These funds will improve the Tribe's wastewater system and accommodate business and population growth on the Reservation.

Investments like these, including loans made in partnership with the local financial community, improve the quality of rural life, promote business development, and also stretch taxpayer dollars so we can partner in more projects like the one's we've just announced. There's no question that in the future we will see a greater emphasis on government support for private sector investment in rural America.

These infrastructure investments provide the framework for job creation, and make it easier for young Americans to choose to remain in rural communities. They quite simply improve the quality of rural life and make living in a small community more attractive.

I want to congratulate and acknowledge Steve and his Rural Development staff for the incredible job they've done for the people of Minnesota over the past seven plus years.

Working with our partners, including Minnesota state agencies, almost \$265 million has been invested in water and wastewater projects.

That's just a small part of what we've done. In total, USDA Rural Development has invested about \$4 billion throughout rural Minnesota since 2001.

While we have accomplished a great deal, we have a lot more work ahead of us. As I mentioned, we'll soon announce other initiatives. Our priorities include rural critical access hospitals renewable energy, distance learning, telemedicine and broadband.

But in a broader sense, these things were in fact already priorities for us...

They were important before the farm bill passed, and, like the water projects we've just announced, they will continue to be priorities in the future. Rural infrastructure is the key to what I call the Rural Renaissance.

The old barriers of time distance and isolation are fading fast. Times are changing. So is the rural business model. We no longer have to live where we work. There is virtually nothing that can be done elsewhere in the world that we can't do in rural America today.

The investments we make in rural America, including those we've just announced, will pay great dividends, not just to future generations, but to those of us who are here today, and lucky enough to call the Midwest our home.

Again, thanks for all you do, and we look forward to working in partnership with you in the future.